

WORKING FAMILIES & SMALL BUSINESS HEALTH COVERAGE ACT

Over 100,000 Uninsured Marylanders Will Be Covered

WORKING FAMILIES

Expand Medical Assistance health coverage for adults

- Year 1: Expand coverage to parents and other family members caring for children with family incomes up to about \$20,500¹
- Year 2-3: Expand benefits in the Primary Adult Care program for adults without dependents with income under about \$12,000²
- Year 4: Provide full Medical Assistance benefits to all adults, including parents and adults without dependents

Over 92,000 covered when fully implemented

SMALL BUSINESS

New wellness benefit available to all small businesses

- Encourages wellness and prevention
- Provides employees with either financial incentives or reduced cost sharing
- Promotes efforts to improve employee health and manage chronic disease

Assist very small low wage firms to offer health insurance

- To be eligible for a subsidy to purchase insurance, the employer must be:
 - ✓ A very small firm (2-9 full time employees)
 - ✓ Have average wages below about \$50K
 - ✓ Have not offered insurance to their employees in the previous 12 months
- Willing to offer health insurance benefits that include the wellness benefit design and Section 125 premium-only plan so that the employee's contribution to premium is excluded from income and not taxed
- Benefits
 - ✓ Maximum premium subsidy for each employee will be the lower of \$2000 or 50% of the premium
 - ✓ Subsidy will be shared between the employer and the employee based on the contribution each makes toward the premium
- Enrollment is capped to stay within a budget of \$15 million

Over 10,000 covered

RESPONSIBLE FINANCING

- Pay as you go: The full phase-in of health insurance is tied to the availability of funds. Medicaid enrollment of adults without children may be capped or benefits may be limited to stay within budget
- More efficient financing:
 - ✓ Maryland payers already finance over \$800 million in uncompensated hospital care annually
 - ✓ Expanding insurance coverage will lower uncompensated hospital care.
 - ✓ Some of these savings will be used to expand insurance coverage in future years and some will lower hospital rates
 - ✓ The majority of funding for the expansion will be generated by savings in uncompensated hospital care and federal matching funds
- Maximize the use of existing resources: The Working Families and Small Business Coverage Act transfers \$75 million from the Maryland Health Insurance Plan to fund expanded coverage

ADDITIONAL MARYLAND HEALTH CARE REFORM INITIATIVES

Improve Quality & Contain Cost

- Created Maryland Health Care Quality and Cost Council to:
 - ✓ Coordinate and facilitate collaboration on health care quality improvement and cost containment initiatives
 - ✓ Make recommendations on health care quality and cost containment initiatives and priorities to policy makers, state and local governmental entities, professional boards, the Maryland Patient Safety Center, industry groups, consumers and other stakeholders
 - ✓ Develop a chronic care management plan to improve the quality and cost effectiveness of care for individuals with, or at risk for, chronic disease.
 - ✓ Facilitate the integration of health information technology in health care systems
 - ✓ Examine and make recommendations regarding other issues relating generally to the Council's mission to improve health care quality and reduce costs

¹ Eligible individuals include parents and other family members caring for children with incomes up to 116% of the Federal Poverty Level. (FPL) or \$20,500 for a family of Three (3).

² Eligible individuals include adults without children with incomes up to 116% of the Federal Poverty Level (FPL) or \$12,000 for an individual.